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## Community Mobilization for Female Sex Workers

Encouraging Responsive  
Governance of Community-Based  
Organizations for  
Female Sex Workers



**KHPT**

Karnataka Health Promotion Trust



UNIVERSITY  
OF MANITOBA



**Community Mobilization of Female Sex Workers: Module 5- Encouraging Responsive Governance of Community-Based Organizations for Female Sex Workers**

is the fifth module in a series of five on empowering female sex workers and their communities

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*The photographs in this module have been used with the consent of the community.*



## COMMUNITY HEALTH CENTRE

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# PREFACE

The Community Mobilization of Female Sex Workers manual is a series consisting of five modules including:

- Module 1 - Introduction and Overview
- Module 2 - A Strategic Approach to Empower Female Sex Workers in Karnataka
- Module 3 - Enhancing Self-esteem and Dignity among Female Sex Workers
- Module 4 - Facilitating the Establishment of Community-Based Organizations for Female Sex Workers
- Module 5 - Encouraging Responsive Governance of Community-Based Organizations for Female Sex Workers

Module 5- Encouraging Responsive Governance of Community-Based Organizations for Female Sex Workers, focuses on encouraging organizational development so as to institutionalize these groups through development of bylaws in order that they can be legally registered. The sessions provide detailed information on how to promote 'good practice' through effective and efficient human resource management systems (recruitment, selection and policies). The participants get to explore the challenges related to formation and representation of committees and sub-committees. Communication skills continue to be strengthened, along with financial skills such as balancing a budget and opening an account. Overall this final module provides a detailed guide to the development of responsive governance structures that will strengthen the CBOs ability to focus on decisions to promote action, and protect the members' interests and rights through a legal framework.

**Karnataka Health Promotion Trust**

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# 1

## Institutionalizing the CBO

Coming together to form a representative group of FSWs that will gradually evolve into a strong entity is an objective of many CBOs. Working together through a CBO to solve their own problems can lead to a better future for both individuals and the community. As these CBOs evolve to form a larger platform for action, they must be given direction and guidance to develop institutional guidelines that adhere to specific laws of the nation. This will strengthen their overall ability to focus on specific issues, take decisions to promote action, and protect their interests and rights through a legal framework.

The first step is to develop a set of bylaws for the CBO that reflect its overall intent and purpose. It is very important that the members of the CBO are aware of its bylaws. As the CBO grows over a period of time, coupled with the changes in the society and the general legal environment of the country, the CBO must ensure that it does not lose sight of its avowed goals and dilute its commitment to the cause of the community. The bylaws provide the safeguard against any such deviations.





# Session 1: Bylaws of the CBO

### Objectives

- To identify the six main sections of CBO bylaws.
- To be aware of existing provisions in the bylaws that may need to be deleted, incorporated, or updated, and the process of how to make these amendments.

### Expected outcomes

- The participants will understand the importance of bylaws in upholding the overall objectives of the CBO.
- The participants will understand the process of amendment if a change in the bylaws is necessary.

### Notes to the Facilitator

Each CBO will need to develop its own bylaws which are applicable to its functions within its specific district. Bylaws are the written rules and regulations framed and accepted by the members or shareholders, incorporating a partnership or other association of persons, and containing the mode of management of the institution. There are normally six areas that need to be considered when developing bylaws, including: 1) vision, mission, objectives; 2) rules and regulations of the organization; 3) structure, role and responsibilities; 4) election, membership and committees; 5) meeting procedure and reporting; 6) documentation, tax and renewal. The members of the CBO have to unconditionally abide by these laws. As the CBO begins to be more active, invariably some changes will need to be made. The Executive Committee members need to be aware of how to make provisions for change and what that process entails.

### Methodology

Small group discussion.

### Time

60 minutes

### Materials Required

Large sheets of paper

### Activity Steps

1. Begin the exercise by explaining the general structure and function of bylaws for CBOs.
2. Divide the participants into six groups according to the six generic sections of bylaws: 1) vision, mission, objectives; 2) rules and regulations of the organization; 3) structure, role and responsibilities; 4) election, membership and committees; 5) meeting procedure and reporting; 6) documentation, tax and renewal.
3. Ask each group to discuss what information should be included in their section. Give each group a large sheet of paper and ask them to list the important information.
4. Ask each group to share their summary presentation of the bylaws with the rest of the group. Encourage discussion about adding any additional information and clarify each point.
5. Tell the group that as the CBO begins to be more active, invariably some changes will need to be made in the bylaws. Encourage a group discussion about what items might need to be deleted, incorporated or updated in each section. (Likely responses could be: change in the structure with its growth; decentralization in decision making; fees for membership; exemption status.)
6. The Executive Committee members need to be aware of how to make provisions for change within the legal context of the nation. Highlight the related provisions of the Indian Registration Act that provides for deleting those norms which hamper the smooth functioning of the CBO, to incorporate necessary provisions, and to amend or update the bylaws.
7. Any change in the bylaws will require that the CBO Executive Committee convene a meeting to discuss the possible changes needed. After gaining support from the community, a resolution can be passed in the meeting, provided that there is a quorum, or a certain minimum number of members present in the meeting.



## Session 2: Registering the CBO

### Objectives

- To recognize the importance of registering the CBO.
- To identify the process and specific documents needed for CBO registration.

### Expected outcomes

- The participants will understand the need to register their CBO.
- The participants will understand the registration process and the importance of renewal.

### Notes to the Facilitator

In India, all individuals are at liberty to form their own group of like-minded people that come together for a common purpose, calling themselves associations. It is not mandatory for them to register their group's identity and existence. However, after developing the bylaws for their association, they can register and be official identified as a CBO through a separate enactment of the law known as The Societies Registration Act. This status gives them the provision to claim more benefits and concessions from the government, such as applying for funding or being included in various schemes, or to receive foreign funding. Registration of a CBO means it will be constitutionally and legally recognized entity to implement the activities to serve the community as the CBO. The CBOs which have been registered under the Societies Registration Act have to renew their registration every year in order to ensure stability and continuity for the CBOs.

### Methodology

Lecture and discussion.

### Time

60 minutes

### Materials Required

A copy of the application for registration from the Registrar of Societies

### Activity Steps

1. Tell the participants that a CBO that has developed its bylaws can be registered as detailed under India's Registration Act.
2. Show an example of the application for registration from the Registrar of Societies.
3. Highlight the steps in the registration process as below:
  - Fill in the application for registration from the Registrar of Societies
  - Attach a memorandum of association of the CBO
  - Attach copies of the rules and regulations of the CBO
  - Attach the receipt for the payment of the registration fee
  - Obtain an affidavit from a notary
  - Provide a copy of the CBO resolution
4. Tell the participants that the CBO registration is usually recognized for one year. The CBO must renew its registration to protect its existence. An AGM must be convened within 60 days of the end of the financial year and the renewal must be done within 30 days after the AGM.
5. Highlight the steps in the renewal of registration process as below:
  - Fill in the application for registration from the Registrar of Societies
  - Write a cover letter explaining the request for renewal



- Attach details of the election of the officeholders of the Executive Committee
  - Attach a list of any new members of the Executive Committee, with their signatures
  - Provide a copy of the annual report of the CBO and a financial audit report
  - Attach a copy of the resolution taken in the AGM pertaining to the renewal
  - Pay the renewal fee and attach a receipt
6. Show an example of the completed application for renewal of registration and a sample cover letter.
7. Ask the participants to discuss any challenges a CBO might face with either registering the CBO or renewing the registration.





## Session 3: CBO documentation

### Objectives

- To understand how maintenance of essential documents is critical for governance of a CBO.
- To identify the essential documents necessary for responsive governance of a CBO.

### Expected outcome

- The participants will realize the importance of developing a process for maintaining and protecting essential documents and how to put this in practice.

### Notes to the Facilitator

Specific organizational framework documents provide the indicators and/or yardsticks by which the transparency, dynamism and effective and responsive functioning of any organization are measured. Documents such as bylaws, registration certificate, ledger or cash book, and audit reports are essential for responsive governance of a CBO. During its existence, the CBO may run into difficulties and the statements given by the CBO may be refuted or rejected by others. To avoid these complications, a CBO must ensure the orderly maintenance of both its official and day-to-day processes pertaining to its activities in the form of official documents, reports, articles and/or photographs. These must be accessible for inspection by all interested and concerned persons. Therefore all the activities of a CBO have to be well documented and made available on request by any member, government authority and/or donor to ensure transparency of its activities. All CBO officeholders must have an in-depth understanding of these documents and process of maintaining them.

### Methodology

Role play, discussion, and brainstorming.

### Time

60 minutes

### Materials Required

Role play instructions

### Activity Steps

1. Ask the participants to participate in a role play based on the following scenario:

The officeholders of a CBO are visited by representatives of a donor agency. The CBO is respected in the community and has completed some beneficial activities for its members and is planning more. During the meeting the CBO Executive Committee members explain all these activities. The visiting officials ask to see some articles or photographs explaining these further, but the CBO officeholders say none are available. Next the visiting officials ask about communication and participation within the CBO, how their meetings are scheduled and if they can see the minutes of a recent meeting. However, there is no record of any meeting minutes for the last three months. The CBO Executive Committee members explain they do not write down all that transpires in a meeting. Then one of the visitors asks about the financial transactions and the books maintained on these accounts. This time the President of the CBO replies that they spend their own money and do not borrow from outside. She explains that whenever the CBO requires funds, members contribute, the money is spent, but no account of these transactions is kept.

2. After the role play, ask the participants if this is enough for the smooth functioning of the CBO, even if it is working very well with genuine concern, interest and honesty. Use the following questions to develop this discussion:

- What were some of the shortcomings pertaining to documentation?
- How did the CBO officeholders respond to the officials?
- Can an oral history be enough proof of accomplishments?
- Why are certain documents like photographs or cash books required?
- Do you think the visiting officials believed what was told to them?
- If not, why not?



3. Highlight the need for proper documentation of essential documents as proof of the work and accomplishment that lend credibility to the CBOs existence.

4. Ask the participants to spontaneously call out responses to the question, "What types of documents are important to maintain?" Any answers will be recorded on a sheet of paper and promptly displayed. Likely answers should include those listed below. Make sure that all participants understand the purpose of each of these documents:

- Bylaws: Contains directions (as mandated by the Societies Registration Act 1960) regarding the administration of the CBO.
- Registration certificate: The registration certificate issued by the District Registrar of Societies as mandated by the Registration Act.
- Renewal of registration: This is required to provide continuity to the CBO. This will be obtained from the District Registrar of Societies at the end of each financial year.
- The letter of exemption under section 12A of Income Tax Act to be obtained from the Income Tax Department to enable the CBO to claim exemption from income tax on its income. To claim exemption from income tax for the donations received from the donors and for the donations made by the CBO, it has to be registered under section 80 B of Income Tax Act.
- F.C.R.A: This certificate has to be obtained as specified by the Foreign Contributions Regulations Act and as per the sample 8 as provided by this Act.
- Membership register: This register contains the names, addresses, occupations and other related details of every member of the CBO.
- Minutes of the meetings: The issues taken up for discussion in the meeting, the resolutions pertaining to each issue, and the names of the members present in the meeting, along with their signatures.
- Attendance register: To record the attendance of the staff of the CBO.
- All essential financial documents as detailed in Section 4 Finances of the CBO.
- Correspondence (internal/external/govt./non-governmental): The copies of letter correspondence done by the CBO with various departments and institutions to facilitate implementation of various schemes for the benefit and growth of the CBO.
- Register of events: The collection of detailed information obtained through a study of special happenings or events.
- Reports of the study tours (exposure visits): Realistic account of the learning obtained from the study tours conducted by the CBO.
- Visitors' book: The book containing the observations and impressions recorded by visitors like VIPs on their visit to the CBO.
- Newspaper reports: The collection of newspaper reports published in connection with the activities of the CBO.
- Photos: Copies of the photographs captured through cameras pertaining to various activities of the CBO.
- CD, DVD, Cassettes: The audio-visual tapes and digital recordings capturing the programs of the CBO.
- Publications: (books, handbills, magazines): The written account of various activities in printed form prepared for/by the CBO from time to time.





# 2

## Human Resources of the CBO

The smooth and efficient functioning of a CBO requires an efficient supervisory system to manage the available human resources so that effective and efficient activities to improve the lives of its FSW members can be implemented. To accomplish this, administrative policies need to be put in place along with administrative procedures to implement these policies. One such policy is the recruitment policy and selection and hiring procedures. The CBO needs human resources to implement its various programs, but these position holders must possess the correct balance of education and experience on the one hand, along with attitudes and behaviors that are compatible with the profile of the CBO. The Executive Committee members of the CBO must ensure transparent and effective methods of recruitment and selection.

There is also a need for overall office management of the CBO. A lack of role clarity in an office will automatically lead to disorder, confusion and duplication of work. Certain jobs will be neglected, with no one taking the initiative to tackle them. Therefore, each staff member must get clear direction from the management regarding their respective tasks. Then every staff member must be accountable for the tasks entrusted to her and have both the commitment and opportunity to fulfill these tasks.

### Session 1: CBO organogram

#### Objective

- To be able to identify the staff structure of the CBO and related decision making and accountability linkages within these respective employees.

#### Expected outcome

- The participants will understand how a personnel structure is essential for a CBO to function effectively and efficiently.

#### Notes to the Facilitator

The personnel of the CBO can be visualized through an organogram, or a diagram that ranks and links all the human resource positions in an organization according to the level of seniority, decision making and activity interactions. These personnel are selected according to the manpower requirements of the CBO. There are basically three main categories of staff: the Executive Committee members or administration; the technical staff that plan, implement and evaluate activities related to the goals and objectives of the CBO; and the support staff, who keep the CBO running on a day-to-day basis.

#### Methodology

Diagram drawing and discussion.

#### Time

60 minutes

#### Materials Required

Diagram of personnel components, marker pens, paper

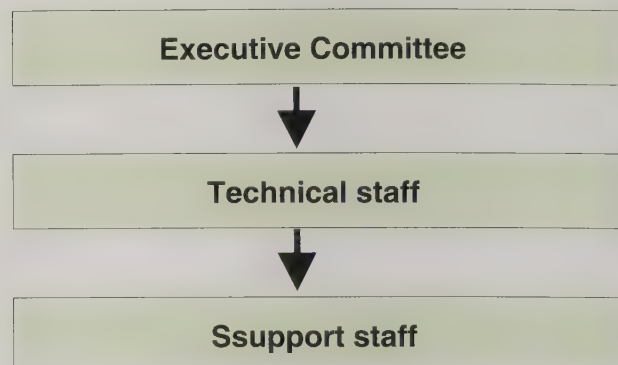
#### Activity Steps

1. Explain that an organogram is a diagram of all the human resource positions in an organization. This diagram shows how each position relates to the others in terms of seniority, decision making and in working together in particular areas, such as health, legal matters or social entitlement.
2. Show the diagram of the three basic components of a personnel structure. Explain that these three categories are used by all organizations and include: the Executive Committee members, or administration; the technical staff that plan, implement and evaluate activities related to the goals and objectives of the CBO; and the support staff, who keep the CBO running on a day to day basis.



3. Ask the participants to form small groups and distribute paper and marker pens to each group. Tell the participants to now expand on this basic generic diagram to develop an organogram that represents the structure of a CBO that can be effective and efficient. Tell them to be sure to diagram the links of each position with other positions in terms of seniority, decision making and in working together in particular areas such as health, legal matters or social entitlements.

4. After approximately 30 minutes, ask each small group to present their organograms. Display each group's organogram in the training room. Encourage discussion around lines of decision making and taking responsibility.





## Session 2: Staff salary and benefits

### Objectives

- To identify what factors determine the salary of each position in the organogram.
- To identify factors that can determine the staff benefit policy and its application.

### Expected outcomes

- The participants will understand the norms followed in salary determination.
- The participants will understand the need for a balanced staff benefit policy in the CBO that can supplement the basic salary and motivate the staff to increase their effectiveness.

### Notes to the Facilitator

The compensation policy of the CBO must ensure equity and fairness. The salary for each position will be generally determined by factors which include: work experience, education, aptitude and skills, and overall competence. However, the basic salary for each position is complimented by a range of services and options that can benefit the entire family of the employee, such a health care or housing. This protects the wider society, while allowing the CBO to link up with government schemes at a reduced cost to the organization. This package can act as a motivating factor in enhancing the staff performance and can include paid holidays, paid leave, life insurance, provident fund, leave allowance, traveling allowance, food and accommodation, and communication.

### Methodology

Brainstorming, role play, and discussion.

### Time

1 hour and 30 minutes

### Materials Required

Marker pens, chart paper

### Activity Steps

1. Tell the participants that a salary is a payment for the work done and is fixed on the basis of certain factors. Ask the participants to spontaneously call out responses to the question, "What factors should be taken into consideration when deciding on a salary for each position in a CBO?" Any answers will be recorded on a sheet of paper and promptly displayed. (Likely answers are: education, experience, level of responsibility [number of supervised staff], aptitude and skills, and overall competence.)

2. After all the factors have been discussed, highlight the fact that ultimately, the amount of salary agreed on is based on available funds allocated for personnel costs and the organization's salary scale which is agreed to in the CBO's bylaws.

3. Explain to the participants that besides the salary agreed on for each CBO position, other benefits are usually given as a 'package' that can act as a motivating factor in enhancing the staff performance.

4. Ask four participants to take part in a role play based on the following scenario:

Three members of the Executive Committee of a CBO are conducting an enquiry into alleged misconduct of an employee on charges of unauthorized absence from work and submitting receipts for an unusually large amount of travel, food and accommodation expenses. During the enquiry, the Executive Committee members ask the staff member about the fact that she had not informed any of her colleagues about plans to take leave and had not asked her superior for leave. The employee states that she had gone on leave to look after her pregnant sister, who subsequently had to be taken to a district hospital because of complications, which was far away. After the baby was born, it was sick and she had to stay with her sister for an extra ten days before returning to work.

4. After the role play, initiate a discussion using the following questions?

- Did the CBO staff member act wrongly?
- What could have been done under these circumstances?
- What action should the Executive Committee take now?



5. After the discussion, highlight the need for a CBO policy that clearly states employee benefits and a way to disseminate this knowledge to all employees. Divide the participants into six groups. Ask each group to discuss one type of benefit as listed below and decide what factors should influence how much should be provided by the CBO.

- Leave: paid, casual, sick leave
- Life insurance: in the event of death, or disability
- Employee's Provident fund: both employer and employee contribute a specific percentage to the fund
- Travel: Fixed travel and need based travel allowance
- Food and accommodation: Per diems
- Communication: Mobile phone charges

6. Ask each group to report their ideas and recommendations. Encourage discussion about what kinds of staff benefit policies can be included in the bylaws of a CBO.





## Session 3: Staff eligibility and interview practice

### Objectives

- To develop eligibility criteria for selecting candidates to fill positions for the CBO.
- To develop interview skills by participating in a mock interview for a specific CBO position.

### Expected outcomes

- The participants will understand the process of selecting a candidate based on her performance in the interview related to specific eligibility criteria.
- The participants will understand the meaning and process involved in an interview

### Notes to the Facilitator

An interview is a method by which the information regarding the eligibility and suitability of a candidate is gathered by asking a variety of questions to a potential candidate and noting her responses. Afterwards, the interview team will analyze the answers based on a set of eligibility criteria that the CBO has developed before the interview. A candidate is selected on the basis of her performance in the interview depending on these criteria.

### Methodology

Brainstorming and mock interviews

### Time

1 hour and 30 minutes

### Materials Required

Three job descriptions written out on large sheets of paper (one health related, one related to legal matters, and one related to social entitlement activities)

### Activity Steps

1. Remind the participants to recall their answers to what factors should be taken into consideration for deciding on a salary for positions within the CBO. Both education and experience were highlighted, but there are other factors that can make some candidates more eligible and valuable for a specific position than others.
2. Ask the participants to spontaneously call out responses to the question, "Besides education and experience, what eligibility factors should be taken into consideration when interviewing a candidate for a CBO position?" Any answers will be recorded on a sheet of paper and promptly displayed. (Likely answers will include: respect and cordial relations towards the community members, a track record of genuine concern for members of the community, a positive and friendly attitude, willingness to abide by the bylaws of the CBO, a member of the particular community where the job activities will be carried out, and consideration of any humanitarian grounds for hiring.)
3. Discuss all answers and highlight the fact that the Executive Committee members who are on the interview panel must be well versed with the eligibility criteria for the selection of staff for their CBO that is in line with the CBO bylaws.
4. Tell the group that a new CBO implementing activities for FSWs in the taluk (sub-district) where they live has advertised for three positions to be filled. Display the three job descriptions in three different places in the training room and read each one aloud.
5. Divide the participants into two groups.
  - 5.1 Tell one group that they are job applicants. Ask them to choose one of the three jobs that they would like to apply for and to pretend they will be interviewed to see if they are eligible for the selection process.
  - 5.2 Tell the other group that they are members of the Executive Committee of the CBO that needs to recruit three new staff members to fill these positions. Tell them to divide into three groups according to the displayed job descriptions and to each move some chairs and/or tables and set up an 'office' near that job description. Ask them to develop some interview questions to ask potential candidates. During the actual interview, one member of each group will ask the questions, while the others will note down their observations. After the interview all members on the interview team will share their notes before making a decision about the candidate.



6. Give everyone approximately 20 minutes to prepare for the activity. Then ask each potential candidate to line up in front of one of the three job descriptions that they will apply for. Ask the Executive Committee of the CBO to begin calling in the job candidates for the mock interview process.

7. After all the interviews have been completed ask the three groups of job candidates to join together and discuss how the mock interview went. Use the following questions to start a discussion:

- How did they answer the various questions of the interviewer?
- Were they confident about their answers?
- Did they feel they communicated well with the interviewer?
- What type of examples of community respect and concern, or having a positive attitude could they give?

8. Ask each of the three groups of job interviewers to stay together to share notes about each candidate that they interviewed and discuss who should be selected for the job. They must choose one candidate to announce to the group and give the reason(s) why this person was chosen.

9. Ask each of the interview groups to announce the name of the person they selected for the job and to give the reasons why. Ensure that they highlight the fact that they are not down-playing the abilities of all the other candidates, but that they choose the person who they think can do the job the best. Encourage everyone to clap for the person who was selected and highlight that this was only a mock demonstration and was done to give each participant an opportunity to practice their interview skills and to gather feedback and suggestions for their own improvement.





# 3

## Good Management Techniques

Management is simply the act of bringing people together to accomplish the desired objectives. Good management techniques can revolve around planning and organizing activities. Planning consists of deciding what needs to happen in the future (today, next week, next month, or next year) and then generating plans for action. Organizing or implementation, means making optimum use of the resources required to enable the successful carrying out of plans. To ensure good management techniques in both planning and organizing, good communication skills are crucial to ensure transparency and participation by all members. Conducting regular and efficient meetings where ideas, learning and plans are communicated is essential. Non-hierarchical communication is essential within the CBO to promote a sense of belonging among the members. The communication between the Executive Committee members and the other members of the CBO needs to be non-threatening and participative to create an atmosphere of cooperation.

### Session 1: Conducting efficient meetings

#### Objective

- To sensitize members about proceedings before, during and after an efficient and effective meeting.

#### Expected outcomes

- The participants will be able to plan for an efficient and effective meeting following the steps presented in this session.
- The participants will learn about specific terms related to meetings, such as quorum and resolution, and different types of meetings.

#### Notes to the Facilitator

Meetings are considered as the lifeblood of any organization. The regular conduct of meetings indicates that the CBO is active and functioning. Meetings are essential to make important decisions pertaining to the CBO, to monitor the CBOs activities, to review the progress of various programs, and to provide the members an opportunity to discuss and take stock of the status of their CBO. Knowing how to conduct efficient and effective meetings will ensure that the CBOs' tasks are carried out in a transparent and successful manner.

#### Methodology

Brainstorming, mock meeting, and discussion

#### Time

1 hour and 30 minutes

#### Materials Required

Instructions for role play

#### Activity Steps

1. Ask the participants to spontaneously call out responses to the question, "What kinds of meeting do you know about or have ever attended?" All answers will be recorded on a sheet of paper and promptly displayed. (Likely answers are: ordinary regular meetings, special general body meetings; emergency meetings called in response to sudden developments; Annual General Meetings, or AGMs.)
2. Clarify the types of meetings by telling the participants that each form of meeting has its own distinct characteristics and format depending on the needs of members and requirements of the situation. The agenda may vary according to the different circumstances under which the meetings are convened. Give the following examples:

#### Ordinary Regular Meeting

Ordinary regular meetings are held at any given time when the community members feel that there is an issue which needs to be discussed. These meetings are for smaller issues that can be discussed and decisions taken on technical issues regarding already planned activities and/or implemented activities.

#### Special General Body Meeting

Special general body meetings have a specific agenda where only those larger issues may be taken up for discussion. These could include reviewing the progress of the implemented activities, or planning for new activities with budget implications. The special general



body meeting is convened only upon request from one fifth of the total members. The quorum for these meetings is one-fifth of the total members, or 100 members, in attendance.

### **AGM**

The AGM must be convened within two months after the end of the financial year (April to March) i.e. before May 30th. The date for this meeting should be decided early and notice must be given 21 days in advance to members. This meeting must be attended by all members as specified under the bylaws of the CBO. In an AGM the following subjects will be discussed for related resolutions to be passed.

- Verification and presentation of the annual report
- Verification and presentation of the audit report of the previous Executive Committee
- Presentation of the proposed action plan for the next year, including the financial requirement
- Any amendment to the bylaws
- Any other relevant matters

### **Executive Committee Meeting**

In order to develop appropriate strategies to implement the decisions taken in the AGM, the Executive Committee meeting will discuss the action plans, and take decisions on implementation, supervision, and monitoring and evaluation, and take appropriate decisions. These meetings must be convened at least six times in one financial year. There must be a seven day advance notice of the meeting included the proposed agenda, but under exceptional or emergency conditions, this meeting can be convened at short notice through a circular. A minimum of two thirds of the committee members must be present in the meeting for taking any decisions involving financial matters. In all other cases a simple majority of more than 50% of the members is sufficient for the meeting. The Executive Committee can invite the members of the sub-committees for the meeting, but they have no voting rights in the meeting. Other matters that are not on the agenda may be taken up for discussion with the permission of the President. The resolutions passed and decisions taken must be recorded in the minute book and the signatures of the members be obtained on this book.

### **Emergency Meeting**

Some situations may demand emergency meetings. Under such circumstances the CBO may convene an emergency meeting.

3. Ask the participants to spontaneously call out responses to the question, "What norms should be followed during an effective and efficient meeting?" Any answers will be recorded on a sheet of paper and promptly displayed. (Likely answers are: punctuality, respect for others, only eating or drinking when permitted, participate freely, but keep comments short and to the point, attend all sessions of the meeting, abide by majority decisions, minutes must be recorded as stated and confirmed by signature.

4. Ask ten participants to participate in a role play based on the following scenario and instructions:

The CBO is having an "ordinary regular meeting". Each member has a special role to play. Tell the participants not to expand the role beyond the information given.

#### **Role 1 - President**

You are the President of the CBO. You are expected to be fair and just in your decisions. Today's meeting has to take a decision regarding the appointment of two Peer Educators. You and the Vice-President have already discussed this. Each one of you has a candidate in mind and you propose their names. But when their names are recommended, the others oppose their selection. You will overlook these objections and try to force your decision on the members. When a Member 2 recommends a name, you silence her by saying that she is too young and new to the CBO to make such a recommendation.

#### **Role 2 - Vice-President**

You are the Vice-President of the CBO. You are neutral and quite indifferent to the affairs of the CBO. However, in this particular meeting you take sides with the President because you have come to an understanding with the President regarding the selection of the candidate recommended by you. Therefore you both try to silence other members who are opposing the selection of your favored candidates.



### Role 3 – Treasurer

You are the finance manager of the CBO. You know that there is only enough money budgeted for activities that can be carried out by two Peer educators and resist the call for appointing any additional staff members.

### Role 4 - Member 1

You are a member of the CBO. You do not like the President of your CBO. You are not very particular about the selection of any of the candidates. However you feel that the candidate recommended by the President should not be appointed.

### Role 5 - Member 2

You have recently joined the CBO. You have a lot of concern and compassion for the community. Therefore you recommend the appointment of the daughter of a local woman who is not well. You consider this younger woman honest and educated. You also add that she can help her ailing mother with this job. You know the candidate recommended by the President is not an ideal candidate for the post and feel she is too arrogant and headstrong. Therefore you oppose her selection.

### Role 6 - Member 3

You take sides with the President. You will flatter her by saying that she is well meaning and always takes good decisions and therefore the candidate chosen by the President must be appointed. Saying this, you have taken a stand against member 2.

### Role 7 - Member 4

You support Member 2. You are also aware of the poor health condition of the local woman whose daughter needs a job. You are very sympathetic about her case and hence speak in favor of her daughter.

### Role 8 - Members 5 & 6

You will say that two Peer educators are not sufficient and that the project needs more coverage. You suggest the appointment of two more Peer Educators, although the action plan and budget is only for two Peer Educators.

### Role 8 - Member 7

You do not say anything in the meeting. You keep silent. You just look blankly at those who speak, but keep quiet.

5. After the group has practiced their roles, ask them to perform the mock meeting. Allow approximately 15 minutes for the performance. Ask all the other participants to watch carefully and think about questions they need to ask for clarification.

6. After the performance, ask the participants to give their comments, suggestions and questions about the meeting. Link these answers to the norms that have been suggested for an effective and efficient meeting.

7. Clarify that all planning has to be done prior to the meeting, beginning with deciding on a date, time and place which should be included on an invitation to the meeting, plus developing an agenda. An agenda is list of issues/topics, which are decided in advance of the meeting. The agenda must be circulated to all members before the meeting to ask for further additions, or reasons for deletion.

8. Ask the participants to discuss the following questions:

- What should be included in the agenda?
- How can these issues be prioritized?
- How can the agenda items represent the concerns of all members, not just a few?
- How can equal opportunity to participate in the meeting be assured for all the members?

9. Tell the participants that before a meeting can start, there must be a quorum. A quorum is the principle according to which any meeting must have a certain minimum number of members present in the meeting. Generally the meeting is said to have quorum when one third of the total members of the CBO are present in the meeting. If a meeting does not have required quorum, it must be adjourned to another date. Any resolution made in a meeting without a quorum is considered null and void. A resolution is a decision, which is taken by majority of the members, on any particular issue, after debating the pros and cons involved. All resolutions must be clearly recorded in the minutes of the meeting in sequential order taken. The subject of the resolution, along with a summary of the discussion surrounding it, and the names of the members who proposed the resolution and seconded it, must also be recorded. After a meeting the President may release a press statement regarding the resolutions passed in the meeting with the concurrence of the members in the meeting.



# Session 2: Taking detailed minutes of meetings

### Objective

- To be able to record the minutes of a meeting

### Expected outcome

- The participants will understand the significance of taking detailed minutes of a meeting

### Notes to the Facilitator

The minutes of a CBO meeting are an important source of information and the official record of the CBO's activities. Minutes can inform a member who was unable to attend that meeting about discussions held on action plans, program activities, different resolutions, and members seconding the resolution. The minutes should allow any member to take the action points forward. Minutes are also helpful in informing non-members about the CBO and its activities. All officeholders and interested members should learn about how to take minutes of a meeting.

### Methodology

Group work and discussions

### Time

60 minutes

### Materials Required

Marker pens, chart paper

### Activity Steps

1. Remind the participants that just as though there are different types of meetings as reviewed in Session 1: Conducting Efficient Meetings, there are different kinds of reports that need to be written and disseminated.
2. Tell the participants they will learn about one type of reporting, recording the minutes of a meeting.
3. Describe the procedure for recording minutes of meetings using the notes below:

#### Minutes of a meeting:

At any meeting, the writing down of minutes, or proceedings of the meeting, must give a clear and complete picture of the situation. These minutes must be maintained and preserved as a document for the purpose of presenting it in a subsequent meeting, for necessary endorsement and approval. Minutes are usually taken by the secretary of the CBO or other officeholder as authorized by the meeting. The members have to read the minutes before putting their signature on. In case members are illiterate, the report has to be read to them before obtaining their signature.

4. Ask the participants to spontaneously call out responses to the question, "What are the important parts of a meeting?" Any answers will be recorded on a sheet of paper and promptly displayed. (Likely answers are: type of meeting, date, place and time of meeting, list of members present at the meeting, list of members who sent apologies for not attending the meeting, list of members absent in a meeting, agenda of the meeting, points of discussion linking to each sub-heading of the agenda, resolutions decided upon, members who proposed the resolution, members seconding the resolution, action plans [including who will do what, when], plans for the next meeting [date, time, place], and signature of an officeholder endorsing the report.)
5. Use the brainstorming suggestions to create a format for reporting on the minutes of a meeting and display it.
6. Ask the participants to form small groups and to create a report of the proceedings of any meeting they have recently attended. Give the groups approximately 30 minutes to draft a report and then ask each group to present their report to the other participants. Encourage them to ask questions and share their opinions by asking them the following questions:

- Did the report contain all the information needed?
- What was missing?
- Would someone who was not at the meeting be able to understand what happened at the meeting?
- Would someone be able to take the action points forward?



## Session 3: Prioritizing communication tasks

### Objective

- To understand why it is important to prioritize a range of communication tasks of the CBO, including correspondence, report writing and advocacy.

### Expected outcome

- The participants will realize the importance prioritizing letter/email correspondence for timely responses, the need to document activities through report writing, and to promote advocacy efforts.

### Notes to the Facilitator

Prompt correspondence through the post, or email, is becoming more and more important to all organizations. Ensuring that all staff respond in an efficient and effective manner is critical for the CBO to be viable. This also applies to report writing. Many government schemes and donor agencies have their own schedule of reporting that the CBO must adhere to in order to receive funding.

All of the activities of the CBO should ultimately influence the public policies with a view to empowering the disadvantaged members of society. Towards this end the CBO must employ some of the strategies related to advocacy for legislative change, which can provide the CBO with a platform to voice its concerns and urge members, and the wider community to assert their rights and call for laws and policies and associated rules and regulations to change for the better.

### Methodology

DVD or role play and discussion.

### Time

60 minutes

### Materials Required

Marker pens, chart paper, DVD

### Activity Steps

1. Show DVD or ask participants to perform a role play based on the following scenario:

A CBO submitted a proposal to obtain a government scheme and was waiting for to hear the decision. The CBO thought it was almost certain that this proposal would be accepted and funded and had already initiated steps towards implementing this project. One day the CBO received a message from the government department that stated that due to lack of information due to the absence of any report or the presence of any representative from the CBO in the final round of discussions, the proposal had not been accepted. The director of the CBO is shocked and deeply disturbed after getting this message and asks her staff about the letter which informed them about this meeting and requested a CBO representative to make a report. All the staff members have an excuse about why they don't know anything about it: one was on holiday, one shared computer was broken, one was in the field dealing with other activities. The situation ends with chaos and confusion in the office as none of the staff members were clear about their responsibilities.

2. After the role play, ask the participants to discuss it using the following questions:

- Why did the project fail to win the proposal?
- Who is responsible for its failure?
- What should have happened when the letter arrived at the CBO?

3. After this discussion clarify the need to prioritized CBO communication channels using the notes below:

### Punctual Communication

Correspondence is essential for maintaining meaningful contacts and broader networking. In a CBO there must be an efficient and effective communication system for both letters and emails. Letters received by the office must be retained and the names of the sender must be recorded in a separate register. After the letter is recorded, it must be handed over to the concerned person as soon as possible. The person who receives the letter should sign the register. Otherwise, as seen from the role play, there will be chaos and confusion in the office and important opportunities that can benefit the CBO are instead likely to be lost. A similar procedure must be followed for the



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letters sent out of the office. Emails regarding activities of the CBO will usually come to the CBOs general email, or to the President, or to a specific office-holder in charge of a specific activity. When one officeholder is out-of-the office, she must put an out-of-office message on her computer with instructions to contact another colleague. When a person gets an email, they should reply immediately, if only to say they will look into the matter and send more information on a specific date.

### Writing Reports

Reports can showcase the values and style of the CBO, its various activities and establish it as an important entity in relation to other development organizations. Reports are required for any kind of activity that the CBO initiates in the community or adjacent area. Each activity must have proper documentation as proof of the work and accomplishment that lend credibility to the CBOs existence. For routine project reports, each objective of the activity must be listed and then any related activity must be described and measured against an indicator to judge its effectiveness and efficiency. An example of a report is the annual report, or a report of all the activities that the project has planned and implemented by the CBO during the financial year. An annual report has its own significance because it provides a glimpse of the overall activities of the CBO in a particular year. This report should include the following:

- Objectives of the project
- Indicators used to mark any progress
- Which objectives were achieved and to what extent
- What were any outcomes in terms of change of behavior in the population
- What were the barriers that prevented the project's objectives not to be met

### Advocating for change

Advocacy for legislative change is a unique process that directs its set of actions at decision makers, policy makers, leaders and other people of influence in support of a specific issue or problem. Advocacy includes both single-issue, time-limited campaigns as well as ongoing work undertaken around a range of cross-cutting issues. This type of advocacy needs concise and persuasive messages that are tailored to capture the attention of the target audience for the achievement of specific objectives, e.g., focused towards promoting proactive actions.

- Make sure the elements identified in the message can be acted upon.
- Message development requires research, particularly qualitative research, such as focus group discussions and in depth interviews to help identify key messages that are clear and concise.
- Messages can emphasize the negative, e.g., what is missing in the current legislation, or emphasis the positive, e.g. what good a change will bring about.
- Message delivery tactics to reach high-level audiences must be appropriate for the specific environment to gain support for legislative change. Politically correct channels must be used for face to face meetings, public addresses and debates. Written messages such as letters and background fact sheets must be polite, clear and concise.
- To make an impact with mass communication campaigns, an adequate number of the target population must be reached. Use multiple communication channels to reinforce messages: posters, flyers, facts sheets, brochures, banners. Join with other organizations to get messages out to larger audiences, i.e., billboards and newspapers, and electronic web-sites can all get the message across, plus correct misperceptions, misinformation, myths and rumours.
- Make use of public holidays and special events, e.g., World AIDS Day, to raise public awareness and promote non-discrimination among local authorities and the community.



## Session 4: Delegating responsibilities to sub-committees

### Objective

- To understand that duties and responsibilities have to be delegated to different CBO staff and members to be successful.

### Expected outcomes

- The participants will realize that delegating responsibilities to certain members will ease the burden and ensure completion of the tasks.
- The participants will realize the need and importance of sub committees in resolving the issues affecting the community members.

### Notes to the Facilitator

Proper planning of activities includes assigning different members of staff different responsibilities. Each person should have a clear mandate regarding their respective tasks. A technical member of staff is someone who has special knowledge, or even a special interest, in the types of activities that the CBO engages in daily. For example, perhaps a person has liaised with the police and has built up a good relationship with them. This person might be assigned to be responsible for legal matters in the CBO and join the legal sub-committee. Similarly, a person with health related experience could join the health sub-committee, while a person who knows about the various government schemes related to housing or getting government-supported supplemental food could join the social entitlement sub-committee. More senior officeholders with a great deal of experience could provide guidance to these three sub-committees through an overall advisory committee to ensure the overall development of the CBO.

### Methodology

Practical demonstration, role plays and discussion.

### Time

1 hour and 30 minutes

### Materials Required

Any heavy objects such as books, bags

### Activity Steps

1. Invite one of the participants to come forward to act as the President of a CBO. The remaining participants will act as ordinary members. Tell everyone that there will be an opening of a new government community center that will offer health, legal and social entitlement advice. As the CBO has ongoing activities in each of these areas, a local official has asked that the CBO attend and assist with the opening. The President wants to be in charge of organizing this. Ask all the participants to make a list of all the tasks that need to be done to ensure the CBO makes a good impression.
2. Give the participants about 10 minutes to make a list. This will probably be quite long. Now tell them that for every task listed they must find and pick up some kind of object around the training room, such a book or a bag.
3. Since the President will be responsible for the celebration, ask the members to symbolically hand over all the tasks to the President by placing the objects in her outstretched hands. As the objects are handed over, one piled on top of the other, she will no longer be able to hold onto all of them, and consequently they will fall to the floor.
4. Ask the participant, "Why did these objects fall on the floor?" (Likely answers will include: There were too many objects; her hands could not hold all the objects; the objects were heavy and large.)
5. Now invite three participants to come forward and ask them to stand beside the President and instruct her to distribute the objects to the members who are standing beside her. After this, ask the President how she feels now? (Likely answers will include: she now feels relaxed; she feels like others will help her; she feels like the event will be successful.)
6. Discuss how the participants feel now that the tasks have been distributed among three of the members. Use the following questions:
  - Does sharing responsibilities make work easier?
  - How can the President of a CBO ensure that responsibilities are shared?
  - What are the major tasks of a CBO that need a small group of members, or a sub-committee, to take responsibility for?



- Who is best suited to be on these sub-committees?

7. Ask five or six participants to come forward and act out three different scenes in a role play. The first scene will entail the arrest of a FSW by the police when she is alone and vulnerable. The second scene will depict about twenty of her peer group protesting against her arrest at the police station and the police filing cases against all the protestors. In the third and final scene, the legal sub-committee members arrive at the police station and get all the FSWs released on bail. They then hire a lawyer and begin a legal battle against the police and eventually win the case.

8. Ask the group what differences they could point out in the first, second and third scenes. (Likely response will include: in the first scene the FSW was helpless because she was alone; in the second scene, even though the FSWs came to the arrested FSW's rescue, they could not help her due to their ignorance about the law; in the third scene, the members of the legal sub-committee could demonstrate their role as legal experts.

9. Ask the participants to think of situations in which the health sub-committee members and the social entitlement sub-committee members could demonstrate their expertise to benefit the other members of the CBO. If they need help, use the following examples:

### **Health sub-committee**

An FSW is suffering from STI. She remains very secretive about this problem and consults a non-qualified doctor for help. Her condition becomes worse and her income dwindles as she cannot approach clients in her present condition. Even though she always passes by a health clinic, she is not aware of the facilities offered by this clinic.

### **Social entitlement sub-committee**

An FSW lives in a dilapidated rented house. She decides to move to a different house and begins to search for a rented house. When the house owners come to know about her profession, they refuse to give the house on rent or demand more advance payment. Finally she applies for a house under a government scheme, but she receives no support from those officials and the house site is allotted to another family that already resides in a house.

10. After discussing these questions thoroughly, come to an agreement about which sub-committees should be formed, who the members should be, and how the sub-committee will operate within the CBO. Tell the participants that many CBOs decide to form an overall advisory committee that is made up of more senior officeholders who have more experience and can provide guidance to the sub-committees for the overall development of the CBO.





# 4

## Finances of the CBO

The sound financial management of the CBO and maintenance of accounts is an essential requirement for the successful functioning of the CBO. Although the Executive Committee Members are responsible for the actual financial operations, the financial transactions of the CBO must be transparent, and all the members are equally entitled to information on the financial dealings and transactions of the CBO. There should be systematic and orderly accounting of funds spent on the implementation of various programs planned by the CBO, in accordance with budgetary provisions.

### Session 1: Financial documents and their importance

#### Objective

- To identify both the function and the importance of different types of financial documents necessary for transparent operation of a CBO.

#### Expected outcomes

- The participants will realize that maintaining accounts without proper documents is impossible.
- The participants will understand the function and importance of different types of financial documents.

#### Notes to the Facilitator

All Executive Committee members must know about the essential financial documents to be maintained in a CBO. These documents are crucial for the transparency of the CBO in relating to its members and its donors. It is the responsibility of the Executive Committee to ensure that all the documents pertaining to the financial accounts are up-to-date and orderly. Generally this task is entrusted to the secretary of the CBO, who works closely with the treasurer.

#### Methodology

Demonstration, brainstorming, examples and discussion

#### Time

1 hour and 30 minutes

#### Materials Required

Approximately 20 numbered sheets of paper and examples of financial documents

#### Activity Steps

1. Distribute a bundle of about 20 numbered paper sheets to one of the participants and instruct her to distribute them among the other participants.
2. As soon as she is finished distributing them, ask her to collect all the sheets from the participants.
3. Now ask her to tell you how many sheets were distributed to each participant and what numbers they were marked with.
4. When it is obvious that there is some confusion, stop the demonstration and ask the participants what just happened? Elicit opinions from the participants about what went wrong with keeping track of the numbered transactions and how this could be done more effectively and efficiently.
5. Ask the participants to spontaneously call out responses to the question, "What kinds of documents are essential for maintaining a transparent financial system for both the members and for other stakeholders?" (Likely answers are: check book, bank pass book, cash book.)



6. Clarify the types of documents by providing an example of each and giving an explanation about its use and importance to the CBO.

- **Registration book of the members and membership fees** - Provides a cumulative record of all the members who have paid the fees and those that have not.
- **Record book containing the meeting minutes pertaining to financial resolutions** - Tracks progress and decisions made with regard to the financial obligations of the CBO.
- **Record book containing files related to financial bylaws and accounting** - Assists the CBO treasurer to maintain accounts and record expenditure based on the bylaws.
- **Check book** - Keep track of the money withdrawn and the details of the person to whom it was issued.
- **Bank pass book** - Keep track of the funds available and/or used from the CBO's account.
- **Cash book** - Maintains a record of the cash in hand.
- **Ledger books** - Maintains the incoming and outgoing of funds.
- **Stock book** - Details the moveable and non-moveable assets owned by the CBO.
- **Receipt books** - Provides acknowledgment for received funds/donations.

7. Highlight several financial documents and give a brief demonstration of how to enter data, verify entries and facilitate orderly maintenance of.





## Session 2: Balancing a budget

### Objective

- To understand the income and expenditure of the organization and plan the activities of the CBO accordingly.
- To understand the role of the committee members and treasurer in balancing the budget.

### Expected outcome

- The participants will understand the importance of having a balanced budget in order to plan and sustain the CBO's activities.
- They will understand the role of the committee members and treasurer in budget planning.

### Notes to the Facilitator

Without proper financial management training it is almost impossible to keep track of and maintain the financial accounts of a CBO. The financial accounts must reflect the funds mobilized for the purpose of implementing activities, savings, and membership fees. There should be systematic and orderly accounting of funds spent on the implementation of the various activities planned by the CBO in accordance with the agreed budget. The systematic maintenance of the accounts will facilitate the growth of the CBO. The CBO must elect a Treasurer who will be wholly responsible for the financial matters of the CBO. A suitable person should be selected who has some experience in accounting or the ability to learn the procedures.

### Methodology

Brainstorming, examples and discussion

### Time

1 hour and 30 minutes

### Materials Required

Handout (See Annex 1: Balancing a Budget: Annual income expenditure list)

### Activity Steps

1. Remind the participants that usually the Executive Committee roles and responsibilities define the Treasurer as being wholly responsible for the financial matters of the CBO.
2. Tell the participants that accounting for money received and expenditure incurred is called balancing a budget.
3. Divide the participants into two groups. Give them the Handout found in Annex 1: Balancing a Budget: Annual income expenditure list, which contains a list of the various sources of income and expenditure for the CBO.
4. Ask one group to identify the sources of income from this list of particulars in the handout, and ask the second group to identify the sources of expenditure.
5. After both the groups identify the income sources and the expenditure sources, ask one group to add up the total income received by the CBO and the other group to add up the total expenditure incurred by the CBO.
6. After each group presents the total income and the total expenditure, ask the group to decide whether the CBO has a profit or loss. If the CBO has a loss, ask the participants to decide what sources of expenditure could be minimized. If the CBO has a profit, ask the participants to identify which source of income is primarily responsible.
7. The facilitator should wrap-up this session by highlighting the importance of balancing a budget and prioritizing expenditure based on critical activities.



## Session 3: Opening a Bank Account

### Objective

- To understand the regulations of banking through a formal financial structure and the corresponding procedures a CBO must follow.

### Expected outcome

- The participants will learn about initiating bank transactions and what corresponding procedures need to be included in the CBO's bylaws.

### Notes to the Facilitator

Financial transactions are essential for the smooth running of the CBO. Bank accounts must reflect the funds mobilized for the purpose of membership status, program implementation, and savings. The CBO is always involved in some kind of financial transaction. To prevent loss through unscrupulous people, or just by human mistakes, it is desirable to have most of the transactions done through banks. This requires timely depositing of the funds received and making payments through a check book and not using cash.

### Methodology

Discussion and analysis.

### Time

60 minutes

### Materials Required

None

### Activity Steps

1. Read the following scenario to the participants:

A newly formed CBO's health sub-committee and advisory committee have discussed and approved an activity to be implemented by its FSWs. They will conduct 20 health camps consisting of giving health related messages through folk media with health workers in 20 villages. A budget has been developed and sent to the funding agency and has been approved. The CBO will receive US \$ 2,000 through a bankers check, or Demand Draft. The committee decides to deposit this money in the bank. One of the members goes to the bank to get information about how to open an account in the name of the CBO. The bank official tells the member the bank account must be opened in the name of the persons as specified by the bylaws of the CBO. The account can be opened jointly by either a two or three person team consisting of the President and/or Secretary, the Secretary and/or Treasurer, or the President and/or Secretary and/or Treasurer. A meeting needs to be convened to pass a resolution following the bylaws of the CBO authorizing these persons to open the bank account in their names. The application form for opening the bank account has to be filled out and copies of the resolution and the bylaws must be attached to this application along with the photographs of the account holders and submitted to the bank for an account to be opened. After opening the account, funds in the bank can be withdrawn, but the amount to be withdrawn has to be mentioned in the request letter, which must be signed by the advisory committee chairperson. After this, the sanctioned funds can be withdrawn by writing a check.

2. After the role play, ask the participants to discuss if all these steps are necessary to operate the CBO's accounts through a bank. Use the following questions:

- Why does the bank need to have so much information about the CBO's internal affairs and bylaws?
- Why are so many people's name needed on an account?
- Why are certain documents, such as photographs, required?
- Is having a bank account a plus when dealing with visitin government officials or donors?
- If not, why not?

3. Highlight the need for opening a bank account to legitimize all financial transactions for the smooth and transparent running of the CBO.



## Session 4: Auditing of the accounts

### Objective

- To understand why a routine and timely audit of the account books of the CBO is important.

### Expected outcome

- The participants will realize how an annual audit can help the CBO become more efficient and effective in planning for its activities.

### Notes to the Facilitator

All institutions conducting financial transactions must have their accounts audited by a certified chartered accountant once every financial year. An audit will give a complete picture of the financial status of the CBO: its income and expenditure, profit and loss, and system integrity, to ascertain if the accounts have been properly maintained or not. The auditor will recommend appropriate corrections in case of mistakes so there is an opportunity to rectify these mistakes. Regular auditing of the accounts will eliminate errors and this will help the CBO to build up an effective and efficient system of accounting. If the CBO does not get its accounts audited, this will lead to questions raised about its efficiency and transparency.

### Methodology

Question and answer, and discussion.

### Time

45 minutes

### Materials Required

Previous audit reports.

### Activity Steps

1. Ask the participants to define the word 'audit'. (Likely answers will be verifying the numbers, making sure the entries are up-to-date, checking the entries between income and expenditure, and developing systems for proper accounting.)
2. Clarify the correct meaning of an audit. Then ask the participants to suggest benefits of auditing the CBO on a yearly basis.
3. Distribute copies of an example of an audit report of another institution and ask all participants to study it and think of questions they can ask that might help both themselves and other participants to understand the document.
4. Highlight the benefits of an annual audit for the CBO.





Annex 1: Balancing a Budget: Annual income expenditure list

Annual income expenditure list

No	Particulars	Amount/Income	Amount/Expenditure
1	Membership fee	5,500	
2	Renewal of registration, 80 G etc		1,200
3	Loan repayment		6,600
4	Audit fee		1,000
5	Admission fee		500
6	Medical bills of community- charity		8,800
7	Monthly EC meeting TA/Sitting fee		12,000
8	General body meeting/AGM		35,000
9	Travel bills		4,400
10	Profit from SHG interest	13,500	
11	Stationary and postage		3,500
12	Credit to Corpus fund	10,000	
13	Bank Interest SB A/C	14,250	
14	Bank FD interest	22,000	
15	Corpus fund interest	33,000	
16	Receivable Donations (fixed)	40,000	
17	Management cost from various projects		35,000
18	Rent for the office		6,000
19	Electricity and telephone bills		4,800
20	Salary for part time accountant		3,600
21	Cost of Training programmes		10,000
22	Building fund		5,000

Total .....











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